



# Sacramento Metropolitan Fire District

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KURT P. HENKE  
Fire Chief

## BOARD OF DIRECTORS – ACTION SUMMARY Thursday, April 25, 2013 – 6:00 p.m.

City of Rancho Cordova City Hall-Council Chambers  
2729 Prospect Park Drive  
Rancho Cordova, California

### CALL TO ORDER

The meeting was called to order by President Kelly. Board Members present: Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood. Directors Clark, Goold, absent. Staff: Fire Chief Henke, Board Clerk Tilson, General Counsel Lavra.

### PLEDGE TO FLAG

### METRO CABLE 14 ANNOUNCEMENT

The open session meeting is videotaped for cablecast on Metro Cable 14. Replay on Saturday, April 27, 2013 at 1:00 PM and Monday, April 29, 2013 at 6:00 PM on Channel 14; Webcast at [www.sacmetroable.tv](http://www.sacmetroable.tv).

The open session meetings are also available for viewing on the District website at [www.metrofire.ca.gov](http://www.metrofire.ca.gov)

**PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA** None

### CONSENT AGENDA:

1. Board Meeting Action Summary – April 11, 2013
2. Disclosure of Material Expenditure – Medical Exams at Kaiser Occupational Medicine

- **Board Action:**

*Scheidegger/Jones—Approve the Consent Agenda items. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**ACTION ITEM(S):****1. Bid Award – Tenant Improvements at 2101 Hurley Way, Sacramento—(D/C Cockrum)**

- A one-page staff report was submitted containing a summary of the background information.

Sacramento Metropolitan Fire District has been working with Architect Lionakis on construction plans to develop a multiple use space on a property owned by the District and leased to the Sacramento County Sheriff's Office, located at 2101 Hurley Way, Sacramento. The first phase of the Tenant Improvements is to install a security fence around the perimeter of the property. The fence is being built at the request and design of the Sheriff's Department. The costs are part of a reimbursement agreement in place with the County of Sacramento as part of the terms of the District's lease agreement.

- In response to a Request for bids, the following were received:

1.	FenceCorp, Inc.	\$84,321
2.	Land Graphics Fencing	\$86,028
3.	Roebbelen Construction	\$92,971
4.	Crusader Fence Co.	\$94,131

- Staff recommended the Board award the bid to the low bidder, FenceCorp Inc. for \$84,321.

- **Board Action:**

*Jones/Orzalli—Approve the staff recommendation. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**2. Cost Savings Summary of Negotiated Employee Agreements and Subsequent Resolutions—(Deputy Chief Wells)**

- Fire Chief Henke stated the District has accomplished a real milestone. A great amount of the credit goes to the Firefighters Union who worked with staff to accomplish a product he felt had no comparison in the State of California in regards to health care reform. During their existing contract, out of recognition of the tough circumstances faced by the District, they sacrificed economically so that fire stations could remain open, engine companies running, and service could be delivered to the public.
- A nine-page PowerPoint presentation was given to include:

**Objectives of the Negotiators –**

- Continue collaborative labor-management efforts to reduce District expenditures in the face of \$24 million annual loss in property tax revenues

- Build on previous, mid-contract wage and benefit concessions
- Created 20-year (5% annual) vesting period for retiree health benefits
- Address rapid growth in health care costs affecting active employees and retirees
  - Average 9% growth between FY 05/06 and 12/13
- Ensure that retiree health benefits are sustainable and not a burden on District operations
  - Fully fund the Annual Required Contribution (ARC)
  - Address Other Post Employment Benefits (OPEB) unfunded liability

**Prefunding Retiree Health Benefits –**

- District established retiree health trust with CalPERS in 2012 for purpose of prefunding
  - Contributions currently come from senior management staff
  - A diagram outlined the framework for directing money into the trust fund

**Key Points of Agreement –**

- Actives and retirees will contribute 8% of the cost for health care coverage with the District paying 92%
  - No contribution is required from retirees enrolled in Medicare Plan
- The total cap that District will pay for monthly premiums is reduced by 15%
  - Current cap: \$2,040.04
  - New cap: \$1,742.55
  - Cap indexed to Blue Shield NetValue
- Savings placed into OPEB Trust
- District funds Annual Required Contribution (ARC)
- Retiree health benefits guaranteed as “vested right”
- A series of charts illustrated the reduction in District costs from premium caps and cost-sharing with \$26.6 million in savings over 10 years – savings used to prefund retiree health; the combined District costs for premiums and prefunding retiree health; growth in the Retiree Health Trust Fund; and the impact on the OPEB Unfunded Liability.

**Future Savings –**

- PORAC Premiums
  - Presently available only to safety members
  - PORAC cap is \$1,382 (\$360.50 less than new cap)

- Approximately 150 employees and retirees in an 80/20 plan that could switch over to PORAC 90/10 PPO Plan
- Employees Opting Out
  - \$300 per month paid to employees in lieu of coverage if someone can go under their spouses' health plan. It does not increase our PERS rate because it doesn't count as retirement income.
- In addition to the health care issue, other issues to be voted upon tonight with the change in the contract agreement were addressed by Deputy Chief Wells:
  - The term of the agreement has been extended through December 31, 2015.
  - In July 2014 and July 2015, all salary schedules will have a wage reopener subject to a mutual written agreement
  - The District and union shall meet and confer over changes in the Federal laws governing health care benefits subject to a written mutual agreement.
  - The uniform allowance will be rolled into base salary for cleanup language of a CalPERS issue.
  - There is another small group which is a subsection of a resolution under the health plans regarding the Medicare-age for Medicare-exempt employees. The District has addressed that by making sure this group would be credited back the 8% at the Medicare-age for Medicare-exempt employees prior to March 31, 1986. These employees did not pay into Medicare and are not eligible for Part A or Part B.
- Fire Chief Henke explained that the first contract concession with Local 522 was 12% of the employer's cost of retirement for all employees but there is a differential rate of 12% for safety and only 8% for non-safety employees. An equity adjustment will be made in the rate for non-safety employees moving it back to 8%. All new employees being hired are treated differently under the new retirement law.

Vacation sell-back of 120 hours will be allowed and must be sold back in 24-hour increments.

Regarding sick leave pay, a constructive trust issue is being worked on with the IRS rules. At the beginning of next year, it will be paid only once a year at a time to be identified. We will make sure that we are within the confines of Federal and State law when the language is cleaned up.

Commended Local 522 for their cooperation and working together with management to rebuild this system to guarantee the promises made to the people for the future.

- Ken Campo, Financial Consultant, responded to Board questions relative to the following:
  - ✓ OPEB funds are placed into an irrevocable trust administered by the CalPERS Board for the sole use of these benefits
  - ✓ Employees opting out of the health care plan are able to change their option during open enrollment or any life changing event with proof of health insurance
  - ✓ The impact on the OPEB Unfunded Liability shown on the chart as a \$93 million savings over ten years represented the unfunded liability of \$240 million on a pay go basis and not the prefund basis at a point in time as of the last actuarial performed June 30, 2011 for all existing retirees, their future medical benefits, and all of the existing employees projected out to their retirement and longevity.
- Captain Ty Bailey of Local 522 pointed out that the vacation leave sell-back option is non-PERSable and there is an option for the employees to sell back up to 120 hours per year. Previous contract concessions negotiated are continuing as part of this. It is up to almost \$27 million in addition to what the cost savings will be for the unfunded liability. It allows the District to keep engine companies open to serve our community.
- President Kelly, along with all Board members, commended Local 522 and management. This collaboration has guaranteed health care as a vested right and is an investment in the future for the retirees and in the District in terms of the community we serve.
- Staff recommended adoption of the following Resolutions:
  - A. **Resolution No. 2013-64 – Amendment to Labor Contract—Sacramento Area Firefighters Local 522 Memorandum of Understanding (MOU)—(DC Wells)**
    - **Board Action:**  
*Jones/Pierson—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, abstained. Directors Clark, Goold, absent. Motion passed.*
  - B. **Resolution No. 2013-65 – Amendment to Labor Contract—Battalion Chiefs Bargaining Group Memorandum of Understanding (MOU), Sacramento Area Fire Fighters Local 522—( DC Wells)**
    - **Board Action:**  
*Jones/Scheidegger—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**C. Resolution No. 2013-66 – Amendment to Labor Contract—**

**Administrative Support Personnel (ASP) Memorandum of Understanding (MOU) Affiliate of Sacramento Area Fire Fighters Local 522—( DC Wells)**

▪ **Board Action:**

*Jones/Pierson—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**D. Resolution No. 2013-67 – Providing an Amendment to Resolution No. 07-07 Affecting Non-Safety Senior Management, Management and Unrepresented Confidential Employees—( DC Wells)**

▪ **Board Action:**

*JonesWood—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**E. Resolution No. 2013-68 – Providing an Amendment to Resolution No. 08-07 Affecting Safety Senior Management, Management and Unrepresented Confidential Employees—( DC Wells)**

▪ **Board Action:**

*Jones/Wood—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**3. Resolution No. 2013-69 – Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act—(DC Wells)**

- On February 14, 2013 representatives for the District met and conferred with representatives of Sacramento Area Firefighters Local 522 over modifications to the current Memorandum of Understanding. One of the agreements was to make changes to the medical premium contributions for current and retired employees. Specifically it was agreed that effective July, 1, 2013 employees or retirees enrolled in Basic or Combination plans, the District shall contribute 92% of the medical premium towards their selected health plan. Employees and retirees will be responsible for the remaining 8% of the premium. For retirees that are enrolled in the Supplement/Managed Medicare plan (SM), the District shall contribute an amount equal to 100% of the medical premium contribution.

- In order to fully execute the medical premium contributions with CalPERS, the resolution submitted must be adopted by the Board and forwarded to the CalPERS Board of Administration.
- Additionally, effective January 1, 2014, the health premium cap will be changed from Blue Shield Access + Bay Area (\$2,040.04) to the third highest plan in the CalPERS Bay Area rates (currently Blue Shield NetValue, \$1,742.55). At this time, rates and available health plans for 2014 have not been determined by CalPERS. Once this information is available, staff will bring another CalPERS resolution for Board approval, approximately September 2013, approving the change in the premium cap.
- Staff recommended the Board adopt the resolution for the California Public Employees' Retirement System (CalPERS) to establish employer's contribution of 92% of the employee's health premium.
- **Board Action:**  
*Jones/Pierson—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood, AYE. Director Monk, abstained. Directors Clark, Goold, absent. Motion passed.*

**4. Resolution No. 2013-70 – Industrial Disability Retirement – Firefighter Kerry Freeman—(Wells)**

- Application filed with the Public Employees' Retirement System, effective May 1, 2013.
- Findings determine that the disability is a result of injury or disease arising out of and in the course of employment.
- Staff recommended adoption of the Resolution.
- **Board Action:**  
*Pierson/Monk—Adopt the Resolution. Roll Call: Directors Jones, Kelly, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Clark, Goold, absent. Motion passed.*

**PRESENTATION ITEM(S)**

[Taken Out of Order after Consent Agenda]

**1. Presentation of Photographs for New Fire Station 111—(Rio Linda/Elverta Community/Roger Mitchell)**

Roger Mitchell representing the community of Rio Linda-Elverta, accompanied by a number of community members, stated they were here tonight to donate two photographs for the new Fire Station 111. He introduced a special guest, County Supervisor Roberta MacGlashan, following a short history of her support of the old Fire Station 111 rejuvenation.

Supervisor MacGlashan stated it has been a privilege for the last year and a half to represent the Rio Linda/Elverta communities. This is a special time because last year was Rio Linda's centennial. History is very important here and the old Fire Station 111 and fire trucks are very much a part of that.

Mr. Mitchell stated one of the goals of the Chamber of Commerce, the Grange, the Restoration crew, and the Park District is to turn both the new and old Fire Stations 111 and the old rebuilt train station into an art gallery. Three photos have already been donated to the new Fire Station 111.

He thanked Larry Davis for his involvement in writing a grant on their behalf and hopefully it will come to fruition.

On behalf of the Sacramento Metropolitan Fire District, Rio Linda/Elverta Recreation and Park District, the Rio Linda Grange, the Rio Linda Chamber of Commerce, and the Restoration crew, flowers were presented to Supervisor MacGlashan in appreciation of her involvement and total support of the efforts of the Rio Linda/Elverta community and to Board Clerk Tilson for always being available and helping, and being a part of the overall team.

On behalf of the District, Fire Chief Henke and Director Monk officially accepted the two framed photographs illustrating Rio Linda's first fire truck, each photographed in a slightly different sequence for display together in the new Fire Station 111. They thanked the Rio Linda/Elverta community for the donation and their help and participation in the District's program.

President Kelly, on behalf of the Board, thanked Mr. Mitchell and the Rio Linda/Elverta community and stated that the Sacramento Metropolitan Fire District was pleased to be in a partnership with them.

**PRESIDENT'S REPORT—(Kelly)**

None

**FIRE CHIEF'S REPORT—(Fire Chief Henke)**

- Attended the Metro Fire Chiefs Conference in Phoenix regarding high rise fires.
- April 12, 2013 – Attended the 2012 Sacramento Metro Firefighters Association Retirement dinner at the Croatian Center. Directors Clark, Orzalli, and Pierson were present.
- April 13 – 17, 2013 – Attended Cap-to-Cap. Also attending: Rusty Dupray, Larry Davis, Director Jones, Director Orzalli, and Director Pierson
- April 22, 2013 – Fiscal Year 2013/14 Preliminary Budget Meeting – Command Staff
- April 23 – April 24, 2013 – Command Staff Strategic Planning Workshop
- April 26, 2013 – Point West Rotary, 7:00 a.m. at 2001 Point West Way – Recognition of Reserve Firefighter Robert Driver
- April 26, 2013 – Cooperators Meeting
- April 29, 2013 – Metro Fire Academy 13-1 starts
- Fire Station Open Houses:
  - June 1 – Station 29
  - June 8 – Station 26
  - June 15 – Station 29
  - July 20 – Station 105
- May 2, 2013 – California Metro Fire Chiefs conference call
- May 17, 2013 – Single Role Paramedic Program 13-2 Academy Graduation – Arden Hills Country Club – 6:30 p.m.
- August 30, 2013 – “Swing for Public Safety” – Inaugural Golf Tournament Benefiting the Sacramento Metro Public Safety Foundation – Proceeds from this year’s tournament will help support Metro Fire’s Fire Camp and delivery of Lucas Devices to our community.

**OPERATIONS REPORT – Deputy Chief Holbrook****EMS –**

Statistics since the last Board meeting:

Metro Fire with SRPP: 2,493 dispatches; transported 72% of the time.

AMR: 2 dispatches and transported both times

**Fire Incidents –**

22 structure fires since the last meeting.

Saved over \$1.3 million in damage

**GENERAL COUNSEL'S REPORT—(John Lavra)    None**

**LOCAL 522 REPORT:** None

**COMMITTEE AND DELEGATE REPORTS:**

**Executive Committee—(President Kelly)**

- No meetings

**Communications Center—(DC Cockrum)**

- Next Meeting: May 2, 2013 – 1:30 PM  
Cosumnes CSD Board Chambers  
8820 Elk Grove Boulevard  
Elk Grove, CA

**California Fire & Rescue Training Authority—(Kelly)**

- Next Meeting: June 12, 2013 – 2:00 PM  
Location: 9320 Tech Center Drive  
Sacramento, CA

**Finance Committee—(Scheidegger)**

- Due to some scheduling conflicts the Committee will be unable to keep its scheduled meeting on May 9. He asked that Chief Financial Officer McFarlane work with the Board Clerk to survey the Finance Committee members. When another date is set, it will be posted to notify the public.
- Next Meeting: To be determined.

**Policy Committee—(Pierson)**

- No meetings

**BOARD MEMBER QUESTIONS AND COMMENTS:**

**Pierson:**

- Cap-to-Cap was very informational. Thanked the Board and the Fire Chief for the opportunity to build these relationships.
- Regarding the private ambulance subject, things are working well with our partner agency AMR. We have a strong EMS base for 9-1-1 and as the Fire Chief pointed out, we don't have any business doing interfacility transfers. Everybody agreed and rejected the old system which was not working well. It is upsetting that there are some people that choose to undermine the great service we are providing the citizens.

**Jones:**

- Thanked Deputy Chief Chris Holbrook and PIO Firefighter Michelle Eidam for participating in the community forum in her division sponsored by the Butterfield-Riviera East Community Association in partnership with the Cordova Library Branch. Metro Fire was well-represented by the before-mentioned members along with Supervisor Don Nottoli and a representative from the Sheriff's Department.

**Monk:**

- Thanked Roger Mitchell and the representatives from the Park District and the other areas in Rio Linda/Elverta for being at this meeting and presenting the two photographs for the new Fire Station 111. Appreciated their continued support of the Fire District's endeavors at the old Fire Station 111.
- Congratulated Fire Chief Henke for his good work and the employees of the Fire District on the major fire on Watt Avenue. He has heard nothing but excellent comments. Need to do something about the abandoned buildings to avoid major fires.

**Wood:**

- Since he came aboard in February, he continually hears something in the news about the good work of the men and women in the Sacramento Metropolitan Fire District. Appreciates the staff members who are getting this information out to the newspaper every week.

**Scheidegger:**

- The open houses are great for this department in terms of outreach in the community. Encouraged continuation.

**Orzalli:**

- Also attended the Cap-to-Cap and thanked Larry Davis for his work. It was an impressive opportunity to see how much interest the Federal government has in what Sac Metro Fire is accomplishing with this simulation center. Understanding our sense of urgency was very heartening.

Expressed his appreciation to Congresswoman Doris Matsui for the time she spent with us. She and her staff were most hospitable and expressed their interest in the simulator center.

- Regarding the Sac Metro Public Safety Foundation, he thanked all the men and women involved in bringing this about. It focuses on Fire Camp and the Lucas Device.
- Requested Counsel Lavra at some future time check into a process of linking a series of issues directly related and vote upon them as a group.

Counsel Lavra stated he would provide that advice but generally when the items are presented as separate resolutions, they have to be voted on separately. He will provide advice and counsel to the extent there are occasions that you can bundle the resolutions together or word them under one resolution to avoid a series of votes.

**Kelly:**

- Extended his sincere thanks and appreciation to Fire Chief Henke for his work. Thanked everyone in the room for their work. This District has been heading in the right direction for some time.

**CLOSED SESSION 7:30 PM**

**RECONVENE TO OPEN SESSION 7:45 PM**

Report by General Counsel Lavra:

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to California Government Code Section 54956.9(a) – One (1) matter  
of Industrial Disability Retirement

Kerry Freeman and the Sacramento Metropolitan Fire District  
Claim #SMDE-426648 – (Deputy Chief Wells)

Discussed the application for Industrial Disability Retirement. No action was  
taken.

**ADJOURNMENT** –The meeting adjourned at 8:05 p.m.

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Matt Kelly, President

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Grant B. Goold, Secretary

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Charlotte Tilson, Clerk of the Board